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## **Japan**

## **Tomatoes and Products**

## **Annual**

## **2001**

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### **Report Highlights:**

**U.S. tomatoes experienced slow sales during the 2000/01 winter season, however, moderate import growth of U.S. tomatoes expected in 2001. Japan's pizza chain is promoting sales with fresh U.S. Roma tomatoes and U.S. round tomatoes have also found new sales avenues. South Korea continues to expand shipments of fresh tomatoes to Japan**

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Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

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## **U.S. Tomatoes Experienced Slow Sales During the 2000/01 Winter Season**

Japanese sales of U.S. tomatoes started to slow down when U.S. shipments of tomatoes switched to Florida from California in mid-November 2000. Quality and color problems of Florida's early season varieties were partly blamed for the loss of sales in Japan. Further, higher import prices of Florida tomatoes compared to California ones led Japanese buyers to reduce their purchasing volumes this winter season. Air freight costs for Florida tomatoes are significantly higher than for California tomatoes, due to the longer shipping distance. Freight cost is a significant part of the import price of U.S. tomatoes, when shipped by air. Japanese traders quite often make a purchasing contract for the season with California growers, but the season contract is still rare with Florida tomato growers. Instead, Japanese traders purchase Florida tomatoes on a demand basis.

## **Moderate Import Growth of U.S. Tomatoes Expected in 2001**

Although U.S. tomato sales slowed slightly during the 2000/01 winter season, Japanese traders estimate Japan's imports of fresh tomatoes from the United States will be up 5 - 10 percent in 2001, from the previous year, to 1,600 - 1,700 metric tons. Japanese sales of U.S. tomatoes are expected to increase for both Romas and rounds, when the shipments from California become available in mid June, according to Tokyo traders. U.S. Roma tomatoes continue to significant sales promotions this year at Japan's pizza chains as well as retail chains for home cooking use. U.S. round tomatoes also found new sales avenues at Japan's hamburger shops and convenience stores. Currently, U.S. romas are sold at 298 - 398 yen (\$2.47 - \$3.30) for a plastic bag of six tomatoes at Tokyo supermarkets. Romas are packaged in 6.5 kilogram cardboard case and wholesaled at 2,800 - 3,500 yen (\$23.23 - \$29.04) per case in Tokyo.

## **Japan's Pizza Chain Promotes its Sales with Fresh U.S. Roma Tomatoes**

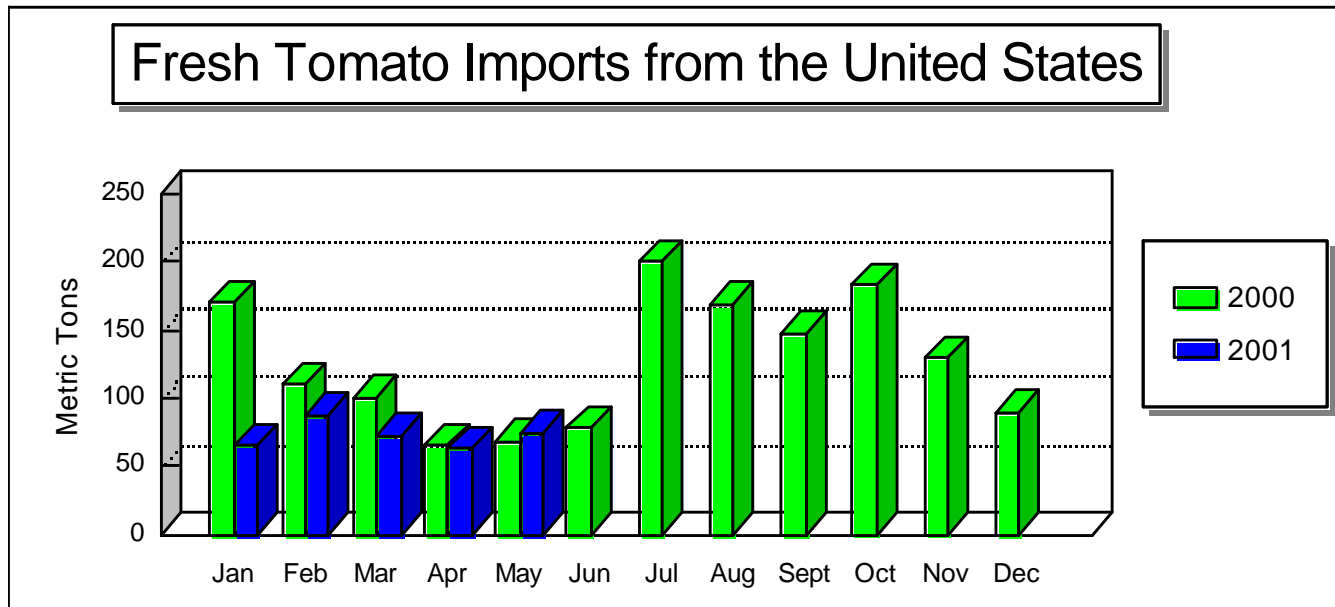
Japan's delivery pizza chain, Strawberry Cones with its 186 outlets operating from Hokkaido to Okinawa conducts "U.S. Roma Tomato Fair" this summer. Currently, Strawberry Cones uses 800 cases of U.S. Roma tomatoes a week (5.2 metric tons/week) and plans to expand more than 50 percent by next year to 1,300 cases per week (8.45 metric tons/week), when its total outlets reach 250 stores. Jointly with U.S.A. Tomato, Strawberry Cones plans to disseminate over 24 million sales flyers of the "U.S. Roma Tomato Fair" nationwide, over three months this summer.

## **U.S. Round Tomatoes Found New Sales Avenues**

Slices of tomatoes found in hamburgers and sandwiches sold at Universal Studios Japan are all U.S. tomatoes. The Universal Studios opened in Osaka in April 2001 and since have used 400 - 900 cases (1.6 - 3.6 metric tons) of U.S. round tomatoes each week. Starbucks Coffee continues to use 350 cases of U.S. tomatoes each week (1.4 metric tons/week) in its BLT sandwiches at its 240 stores nationwide. Various convenience stores continue to use U.S. tomatoes in their sandwiches. Japan's largest convenience store, Seven-Eleven, with over 8,600 stores nationwide, currently only uses only domestic tomatoes, at 2,000 metric tons per year. Japanese traders are negotiating with Seven-Eleven to use U.S. tomatoes for its sandwiches. McDonald's Japan once again will launch a nationwide hamburger sales promotion this summer, and is expected to use 240,000 cases (960 metric tons) of round tomatoes during the two-month sales period. McDonald's plans to use approximately 24,000 cases (96 metric tons) of U.S. round tomatoes during this period.

## **South Korea Continues to Expand Shipments of Fresh Tomatoes to Japan**

Although Japan's imports of fresh tomatoes are small (approximately 1.6 %) compared to the nation's total consumption, South Korea is the largest exporter of fresh tomatoes to Japan (11,279 metric tons in CY 2000) and continues to expand marketing in Japan. Koreans largely supply green-house grown cherry tomatoes to the Japanese market, taking advantage of low cost shipment. Koreans ship fresh tomatoes to Kyushu Island, Japan's south most island, by ferry boat so that the freight cost is significantly cheaper compared to tomatoes from the U.S. or even northern parts of Japan. Currently, since Korean is not shipping U.S. varieties, such as Romas and rounds for cooking use, Korea is not directly competing with the United States.

**Japanese Imports of Fresh Tomatoes from the United States by Month**

## PS&D Tables and Trade Matrices

### Fresh Tomato PS&D Table

PSD Table						
Country	Japan					
Commodity	Fresh Tomatoes				(HA)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Plnt For Fresh Consump	0	12705	12750	12691	0	12700
Plnt For Processing	0	895	850	909	0	900
TOTAL Area Planted	0	13600	13600	13600	0	13600
Harv. For Fresh Cons.	0	12705	12750	12691	0	12700
Harv. For Processing	0	895	850	909	0	900
TOTAL Area Harvested	0	13600	13600	13600	0	13600
Fresh Sale Production	0	710300	740000	737900	0	734000
Processing Production	0	58400	80000	66500	0	66000
TOTAL Production	0	768700	820000	804400	0	800000
TOTAL SUPPLY	0	768700	820000	804400	0	800000

**Fresh Tomato Import Trade Matrix**

Import Trade Matrix			
Country	Japan		
Commodity	Fresh Tomatoes		
Time period	Jan. - Dec.	Units:	Metric Tons
Imports for:	1999		2000
U.S.	1276	U.S.	1517
Others		Others	
South Korea	6921	South Korea	11279
Netherlands	273	Canada	98
New Zealand	151	New Zealand	65
Canada	52	Netherlands	58
China	23		
Total for Others	7420		11500
Others not Listed	3		3
Grand Total	8699		13020

**Fresh Tomato Price Table**

Prices Table			
Country	Japan		
Commodity	Fresh Tomatoes		
Prices in	Yen	per uom	KG
Year	2000	2001	% Change
Jan	328	362	10.37%
Feb	330	353	6.97%
Mar	312	395	26.60%
Apr	294	358	21.77%
May	217		-100.00%
Jun	197		-100.00%
Jul	231		-100.00%
Aug	305		-100.00%
Sep	317		-100.00%
Oct	384		-100.00%
Nov	397		-100.00%
Dec	404		-100.00%
Exchange Rate	120.5	Local currency/US \$	